

**Manchester City Council
Report for Resolution**

Report to: Personnel Committee - 11 March 2020

Subject: HR and OD Service, Corporate Services Directorate

Report of: Deputy Chief Executive and City Treasurer

Purpose of Report:

To seek the approval of the Personnel Committee to create the post of Deputy Director of HR and OD in support of the restructure of the HR and OD Service and to recommend that Council approves use of a market supplement if required in recruiting to the Director of HR and OD post.

Recommendations:

Personnel Committee is requested to:

1. Approve the creation of the post of Deputy Director of HR and OD at grade SS3 (£78,715 - £87,217).
 2. In approving the establishment of this post, approve the deletion of the posts of Head of HR Operations (SS2) and Head of Workforce Strategy (SS2).
 3. Approve the redesignation of the post of Strategic Business Partner - Health and Social Care Integration as Strategic Lead - Health and Social Care Workforce.
 4. Recommend to Council that it approves a market rate recruitment supplement of up to £15,000 in seeking to appoint to the vacant Director of HR and OD post, if required, and delegate authority to the Deputy Chief Executive and City Treasurer, in consultation with the Chief Executive and Executive Member for Finance and HR, to decide whether to apply the market rate supplement and the amount of supplement to be applied, up to this limit.
 5. Note the contents of the report.
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Wards affected: All

Financial implications for the revenue and capital budgets:

The proposed changes to the senior posts will reduce costs of the senior management structure within HR & OD by c£69k, and this saving is being used as part of funding the ongoing wider restructure of the service which will ensure that there is an appropriate mix of grades to provide capacity to lead on the Our People Strategy.

There is no budget provision for any market rate supplement, but if a market rate supplement is required the costs of this will be funded from within existing HR & OD budgets.

Contact Officers:

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Background documents (available for public inspection):

None

1. Background:

- 1.1 When the previous Director - HR and OD left the Council in February 2019 it was determined that recruitment would be on a 'like for like' basis. Pending the recruitment process, extra capacity was procured on an interim part-time basis and has supported the service since April 2019.
- 1.2 An Executive Search and Selection partner was procured and a recruitment exercise commenced in May 2019. The Council was unable to appoint and the decision was made to continue with interim arrangements to review the potential market.
- 1.3 At the same time, other significant vacancies arose within the HR and OD senior management team and it was decided that a restructure was necessary to ensure appropriate arrangements going forward.
- 1.4 After discussion with the service and various stakeholders a revised structure was provided in December 2019. Formal consultation has ended and the structure is being implemented.
- 1.5 The previous structure and new structure is provided at appendix 1.
- 1.6 The Council is currently out to actively to recruit a Director of HR and OD. It is recognised that this is a challenging market with a shortage of experienced HR and OD Directors available. Indications are that the Manchester City Council pay band of SS4 (£95,953 - £105,940) is not competitive with levels of salaries paid in recent appointments and across other parts of the public sector.

2. Proposals

- 2.1 The restructure of the HR Service was undertaken with some clear principles applied; namely to ensure appropriate capacity at the right levels with flexibility to balance reactive and proactive work and to provide fulfilling work for the team in delivering the Council's workforce priorities as set out Our People Plan.
- 2.2 Some key vacancies allowed for a fundamental review of the senior team which has been streamlined with realignment of key HR and OD functions. Further the resources from Our Manchester Team that focus on culture and behaviour have been brought into the structure from Policy, Performance and Reform. A new post will lead this reporting to the Director and be designated as the Head of Culture Development at grade 12. At the same time the Workforce Intelligence and Equality and Diversity Team line management is now provided by the Policy, Performance and Reform team.
- 2.3 The Strategic Business Partner for Health and Social Care Integration is now clearly aligned to the Director of HR and OD whilst being deployed to the Manchester Local Care Organisation. It is proposed to redesignate this

position as Strategic Lead - Health and Social Care Workforce reflecting the focus of the role being broader than integration.

- 2.4 The revised structure proposes that all strategic and transactional HR functions are under the leadership of one senior manager working alongside the Head of OD. This role will be responsible for the day to day leadership and management of the HR functions as well as providing a primary deputising function for the Director of HR and OD on strategic projects and partnerships. This will ensure that there is connectivity across the different HR specialisms and by having appropriate arrangements at the next level will give capacity to support the delivery of the council's workforce priorities.
- 2.5 It is therefore proposed that a new position of Deputy Director - HR and OD is established by combining and deleting the two SS2 posts of Head of HR Operations and Head of Workforce Strategy (SS2). Job Evaluation has been undertaken and indicates that the new role should be graded at SS3 (£78,715 - £87,217).
- 2.6 Further recruitment search and benchmarking activity is underway to recruit a Director of HR and OD. However given the urgent and critical nature of this appointment approval is sought for a delegation to the Deputy Chief Executive and City Treasurer in consultation with the Chief Executive and Executive Member for Finance and HR to be able to approve a market supplement of up to £15,000 if required. Any supplement will only be applied if necessary. This approval needs to be given by the Council on recommendation of the Personnel Committee. As the next Council meeting after 25th March is July, this delegation is being sought now so as to not to delay the appointment process.

3. Conclusion:

- 3.1 After extensive consultation and co-production a revised HR Structure is being implemented. In providing appropriate leadership for a re-aligned structure it is proposed to create the post of Deputy Director - HR and OD at SS3 grade by combining two SS2 posts.
- 3.2 Progressing with the appointment of a Director of HR and OD is also essential in providing stable structure and leadership.

4. Comments from the Director of HROD

- 4.1 The Council's senior manager job evaluation process has been applied in reviewing the proposed role and grade for the proposed post of Deputy Director - HR and OD.
- 4.2. In line with the Council's *m* People Processes the current Head of HR Operations will be entitled to be ring fenced for interview for the proposed Deputy Director post.

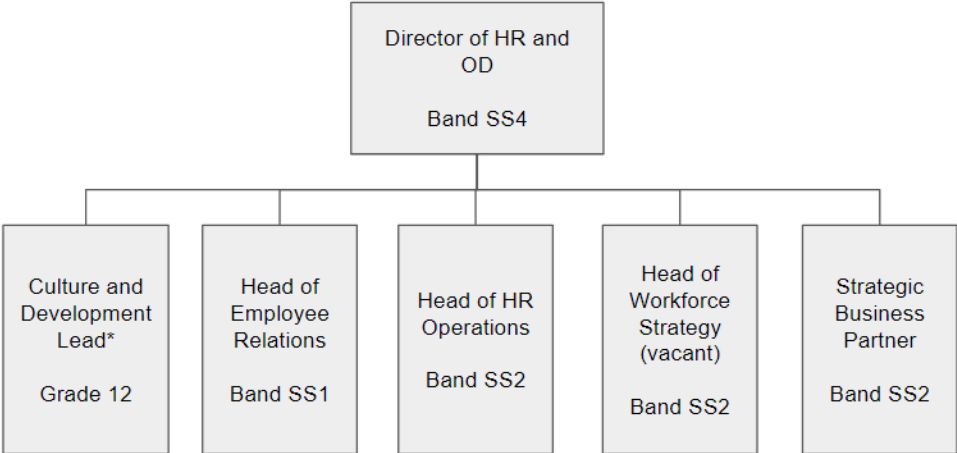
- 4.3 In line with the Constitution any salary package exceeding £100,000 must be approved by Full Council. The salary for the post of Director - HR and OD falls into this bracket. If the requested delegation was delayed until July then the recruitment to the vacant Director post would be delayed significantly.

Comments from Trade Unions

to be provided.

Appendix 1

Current Senior Management Structure - HR and OD Service



*Role redesignation from OD Lead as part of service redesign

Proposed Senior Management Structure - HR and OD Service

